



environmental consultants, inc.

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m/023/007

July 10, 2002

Ms. Beth Wondimu  
Utah Division of Water Quality  
288 North 1460 West  
P.O. Box 144870  
Salt Lake City, Utah 84114-4870

Mr. Doug Jensen  
Utah Division of Oil Gas and Mining  
PO Box 145801  
Salt lake City, Utah 84114-5801

**RECEIVED**

**JUL 12 2002**

**DIVISION OF  
OIL, GAS AND MINING**

Re: Permit No. UGW 230001; Proposal for Modification of Monitoring Schedule

Dear Ms. Wondimu and Mr. Jensen:

The North Lily Mining Company's Silver City Heap Leach Facility has been closed and reclaimed for nine months and the leach field gallery has been in operation for over a year. Three quarterly monitoring reports have been submitted to the Division of Water Quality (DWQ) and the Division of Oil Gas and Mining (DOGM). The latest report, mailed to DWQ and DOGM on July 9, 2002, demonstrates that concentrations of most contaminants in the pad draindown fluid have steadily declined. More importantly, the rate of draindown has declined steadily from 3.6 gallons per minute in May 2001 to 1.8 gallons per minute in June 2002, representing a reduction in fluid draindown volume of 50%.

The current monitoring schedule for the facility as described in the Ground Water Discharge Permit calls for weekly discharge rate monitoring and quarterly water quality monitoring. In addition, a cursory overall site inspection is conducted monthly.

Given the long-term decline in both draindown rate and contaminant concentrations, we propose that the monitoring scheduling be adjusted as follows:

- Flow monitoring and site inspection - monthly
- Water quality monitoring - quarterly

We proposed that this schedule be effective August 1, 2002 for the 3<sup>rd</sup> quarter of 2002; however, we would continue weekly monitoring and inspection through the month of July 2002 or until DWQ approval is granted.

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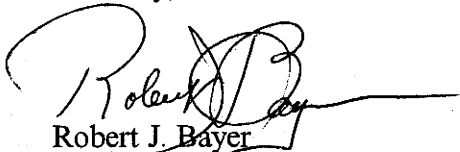
Assuming that discharge rate and contaminant concentrations generally remain at current levels or less, we further propose that beginning July 1, 2003 the monitoring schedule be further adjusted as described below:

- Flow monitoring and site inspection - quarterly
- Water quality monitoring - semi-annually

The funds available for monitoring at the site are very limited owing to North Lily's bankruptcy. We believe that the adjusted schedule provides for monitoring protection that meets the intent of the approved plans for closure and reclamation, as well as for ground water protection. Accordingly, we request that DWQ modify Utah Ground Water Quality Discharge Permit No. UGW230001, as described above, effective August 1, 2002 or as soon thereafter as possible. We also ask that DOGM approve this modified monitoring schedule.

Please contact the undersigned with any questions you may have.

Sincerely,



Robert J. Bayer  
Vice President

cc: S. Flechner, North Lily Mining Co.  
D. Frederick, Division of Water Quality  
W. Hedburg, Division of Oil Gas and Mining